LABOUR MONTHLY

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Deflation and the Economic Crisis Maurice Dobb

Breakdown of the London Conference Quaestor

Death of a Third Force Ivor Montagu

Book Reviews The Dean of Canterbury
Joe Scott

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CONTENTS

January, 1948

	Page
Notes of the Month: *Outlook for 1948* by R. P. D. ...	2
Deflation and the Economic Crisis by MAURICE DOBB ...	10
Breakdown of the London Conference by QUAESTOR ...	15
Death of a Third Force by IVOR MONTAGU	19
100 Years Ago—On the Eve of Revolution	25
America Grabbing Greenland?	26
Book Reviews—	
Intelligent Man's Guide to the Post War World, by G. D. H. Cole: *R. P. D.*	27
Russian Zone, by Gordon Schaffer: *The Dean of Canterbury* ...	30
Wages Front, by Margot Heinemann: *J. R. Scott*	30
The Foreign Policy of Soviet Russia, by Max Beloff: *Zelda Kahn Coates*	31
United Germany or Divided Europe, by J. Winternitz: *C. P. D.*	32

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TO READERS OF LABOUR MONTHLY

THE first twelve months of the LABOUR MONTHLY *in its new format and at its new shilling price has justified the advance made. The return to our pre-war size and readable type has been widely welcomed, and the return to what was our original price has, with the rise in all costs, been fully understood.*

The chief difficulty now to be faced is still the restriction of paper supplies to a mere fraction of the weight consumed before the war: and from this restricted supply a cut of one-eighth, made after the fuel crisis of last February, was succeeded by a further cut of one-tenth in October.

Nevertheless, by the use of the very light India white paper for our text, so as to keep within the permitted total weight, we have been able not only to keep all demands supplied during 1947 but to begin 1948 with a stiffer cover, approximating to our cover of 1939. In addition we have still some copies in hand to meet a rising demand.

Thus, after the long years of enforced stabilisation the moment has at last come when it is possible to increase circulation. We are confident our readers will help in moving forward to the new maximum.

For this purpose, and also to meet rising costs of production, we call attention to three points.

1. *We shall welcome suggestions from readers as to how best the circulation can be raised to the permitted maximum.*
2. *While during the past twelvemonth we have made no special appeal to our readers, the Labour Monthly Fund is still necessary. We shall continue to print regularly the detailed list of donors and subscriptions received.*
3. *The special Gift Token Scheme, by which two annual subscriptions can be got for a guinea and three for thirty shillings, remains valid till 20th January, 1948.*

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Outlook For 1948

THE indefinite adjournment of the Foreign Ministers' Conference has opened in the sharpest form all the problems of the post-war world. The enemies of peace have won the immediate objective for which they publicly planned and schemed before the Conference. The Anglo-American offensive has not only thrown into the unknown future any question of a peace settlement and peace treaty for Germany and possibly Austria. It has also challenged the very basis of the agreements of Teheran, of the Crimea and of Potsdam. In place of peace, in place of a united democratic Germany, in place of co-operation of the Powers, the Anglo-American offensive has chosen to go forward with the design to establish Western Germany under monopolist control as the pivot of the Western Bloc and the Marshall Plan. But this offensive is not only directed to partition Germany. It is directed to partition Europe. It is directed to the permanent division of the Powers as the pattern of the post-war world. It is directed to the organisation of the capitalist "West" against the socialist "East." It is directed in the final analysis to the preparation of future war. Within two and a half years of the conclusion of the most terrible and destructive war in history the spirit of Munich walks again. Again the old frenzied slogans against Communism and the Soviet Union are used to cover dangerous and aggressive designs. This is the grave outlook for 1948 which calls for the immediate rallying and mobilisation of the forces of democracy and peace throughout the world.

No Time to Lose

It is not too late to change the course. But there is no time to lose. The domestic crisis in Britain and in France is intimately bound up with this world deadlock and the necessity to resolve it. The price of Bevin abroad is Cripps at home. Both mean the surrender of the hopes of the Labour movement to the plans of the monopolists. Both mean the surrender of Britain's future to the crazy compass of Wall Street and the mad dog war aims of Washington. No country has a more vital interest than Britain in peace, in the unity of Europe, in the democratic settlement of Germany and in co-operation with the Soviet Union. It is not Britain's interest to be dragged as a satellite behind the present dominant reaction in the United States along a disastrous course whose outcome can only mean Britain's suicide. The slavish outlook of those who see only the supposedly inevitable superior strength of American imperialism reflects blindness to the realities of the world today. The world after the defeat of fascism is no longer the world of Munich. The dominant characteristic, alike

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of the economic structure and of the constitutional structure, of American imperialism today is instability. Stability and confidence of the future rest only with the world of socialism and with the rising world of freedom which more and more clearly from China to Europe is reaching out to the majority of mankind. The Britain which cast off Toryism in 1945 to turn to the aim of socialism has no ground to choose for its spiritual home and chosen partner the last citadel of conservatism in the world. Our friends are elsewhere. Given British-Soviet co-operation, the way is still open for a democratic settlement in Germany that would accord with the principles for which the war was fought, and that would restore the basis for international co-operation; for the United States in isolation could not override the rest of the world or stand in the way of European democracy. We stand before grave decisions in 1948. There is still time to change the course; and the outcome will govern the future for many years. But the key to that change lies in Britain.

Alternatives of 1948

For Britain and Western Europe 1948 represents the decisive hour of choice. The American strategy of the Western Bloc is all prepared and set to encompass and control the countries of Western Europe as the new-style "cordon sanitaire" under satellite governments, subordinate their economies, rebuild Ruhr monopolist domination and disrupt the working class. But will the peoples of these free, proud and ancient countries, that were the very cradle of Communism and the modern working-class movement, so easily jump through the American hoop? The power of Wall Street is not so absolute as its magnates imagine. The massive, united and unbroken strike movement of the French working-class under Communist leadership, with Communism still the strongest party at the elections, has shown that the battle in France is only opening, and that the last word will not necessarily rest with the gloomy triangle of Schuman-Blum-de Gaulle. The torch kindled by the French workers will arouse its answering flame among the British, Italian and German workers. No press distortions have been able to conceal the significance of the German People's Unity Congress. In Spain and Greece the revolt against fascist tyranny continues to extend. The British-Soviet Trade Agreement is a first indication that the pressure of economic needs can override attempts at diplomatic and political rupture and point the way to a different economic and political pattern for Europe.

Two Paths

Thus the choice opens out for 1948. Either American domination and economic subjection, with worsening conditions. Or national independence and economic recovery on the basis of the co-operation of Western and Eastern Europe. Either a democratic peace settlement agreed by the Powers, with a united democratic Germany. Or open division of the Powers, with the partition of Germany and revival of the monopolist interests which backed Hitler, preparing the way for

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new war. Either disruption of the working class, as planned by the American Federation of Labour and Right Wing Labour, with consequent revival of reaction and fascism. Or the strengthening of working class unity to save democracy, bar the road to fascism and enter on the path to socialism. So in Britain, the choice equally opens out. Either the continuance of the Bevin-Cripps-F.B.I. course of deepening crisis, worsened conditions and surrender to America, with consequent encouragement of a Tory come-back and fascist emergence. Or the awakening, rallying and active fight of the mass of the working-class movement and the Left to defeat the Government's offensive, change the course and the character of the Government and thus save the future of the Labour movement and of Britain. Such are the alternatives of 1948.

Lessons of 1947

1947 was the year of the decisive turn in the situation which laid bare the alignment of the post-war world in two camps. Recall the situation of January, 1947. On January 1st, 1947, the unification of the Anglo-American zones in Germany took place in open violation of Potsdam. On January 1st, 1947, the Anglo-American military alliance arrangements for joint training were announced; the *News-Chronicle* published on that date from its New York correspondent:

> Britain and the United States are rapidly completing plans for land, air and sea co-operation if they are involved in another war, so that forces of both nations, trained and equipped under a standardised system, will be able to move into action under one supreme commander.

In January, 1947, John Foster Dulles, Republican adviser on foreign policy, put forward the scheme for a Western European Bloc, including Germany, a " Federated Europe whose economic heart would be the Ruhr," with the object to " meet the Soviet challenge in Europe." In January, 1947, Churchill launched his " United Europe Committee " (i.e. United Western Europe, specifically in its manifesto excluding the Soviet Union), and wrote in Colliers Magazine of January 4:

> The schism between Communism on the one hand and Christian ethics and Western civilisation on the other is the most deadly, far-reaching and rending that the human race has known.

At that time the Labour Party Executive still repudiated " United Europe " or the Western Bloc on the grounds that the aim must be " the strengthening of friendly collaboration between Russia, America and Britain " (Morgan Phillips' statement); and the *Daily Herald* declared (17.1.47):

> Do not let us build on a bloc which divides Western and Central Europe from the East.

But the new note was already sounded by Hartley Shawcross for the Government when he stated (*The Times* 8.1.47):

> The political conflict in Europe today was not that between Conservatism and Socialism; it was between Social Democracy and totalitarian Communism.

Thus the enemy was declared by this Labour representative to be not

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on the Right, but on the Left: not capitalism or fascism, but Communism. The outcome of this thesis has been seen in the subsequent Tory come-back, the emergence of Mosley and the advance of de Gaulle. All these developments of January, 1947, in complete reversal of wartime anti-fascist unity, were thus taking place many months before the very late reply of the meeting of the nine Communist Parties in October—which these same disrupters now seek to make a pretext for their aggressive campaign.

Strike the Watchdog First

But all the plans for a Western Bloc, that is, for American domination and reactionary revival in Western Europe, could not be realised so long as Communism stood on guard in the central citadel of Government in the leading Western countries, in France, Italy, Belgium and other countries, to defend democracy and national independence. Hence the American offensive was first directed to expel the Communists from the Governments. In March this offensive was opened with the Truman Doctrine, which was timed to torpedo the Moscow Conference of Foreign Ministers, and which on the basis of Greece and Turkey proclaimed the principle of American financial and military support for any Government, no matter how reactionary, anti-democratic, fascist and barbarous, so long as it maintained hostility to Communism and the Soviet Union. By May dollar pressure had expelled the Communists from the Government in France, Italy, Belgium and every Western country. Only then, in June, after the watchdog had thus been struck out of the path, was the Marshall Plan announced to draw the sixteen victim nations into the net of economic subjection. The Paris Plan, prepared and revised under American dictation, was then subjected to the tender mercies of the Harriman Committee, Herter Committee, etc., to be re-shaped to meet the requirements of American policy. Meanwhile American prices skyrocketed in the expectation of future spoils.

The Poison Takes Effect

By the second half of 1947 the "Marshall countries" began to reveal painful symptoms of catastrophic economic worsening and reactionary revival—in striking contrast to the parallel economic recovery and progressive democratic advance of Eastern Europe. (However, the malady was not geographical; Greece and China, also under the skilled care of American financial missions, similarly revealed even more painfully catastrophic economic worsening). In France the workers found their real wages cut to starvation levels by rising prices; the municipal elections in October revealed the menacing advance of de Gaulle, even though the Communist Party still held first place in the support of the electorate; the strike movement of the workers for a minimum wage in November and December was made the excuse for draconian anti-labour and anti-democratic legislation. In Britain the collapse of convertibility and exhaustion of the loan laid

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bare the deficit consequent on the extravagant policies of the Anglo-American bloc; the sunshine of electoral promises of improved conditions gave place to desperate measures, cuts in food imports, reductions of rations, cuts in capital construction and social development plans, increased taxation, and attempts to freeze wages alongside rising prices; the Government was reorganised to the right; the municipal elections revealed a Tory revival, and Mosley emerged under Government protection. All was now set for the supreme offensive at the London Conference to stage the break.

A Prepared Break

There is no room for doubt that the break at the London Conference was planned, prepared and plotted by the Anglo-American camp long before the Conference met. Already on November 6 *The Times* had let the cat out of the bag:

> There is little doubt that the American and British Governments have now completed far-reaching preparations for an alternative course of action should there be another deadlock such as occurred in Moscow last March. If there is, it is now clear that the partition of Germany in one form or another, but in any case in a form far from provisional, will be accepted by London and Washington, and if present signs are reliable, also by Paris.

General Clay, U.S. Commander-in-Chief in Germany, had similarly disclosed the plans:

> General Clay agreed at a press conference that the economic council and its directorate now concentrated in Frankfurt could be the basis of a provisional German Government, adding that he had hopes that the French zone would come in. (*The Times*, 31.10.47).

Senator Vandenberg was no less explicit before the Conference:

> Senator Vandenberg backed up the demand of former Secretary of State Byrnes that America and her friends should make a separate peace with Germany if Russia does not agree to a big-Power treaty this winter.
>
> "If the Council of Foreign Ministers still deadlocks," he said, "it had better adjourn indefinitely."

Senator Byrnes had been even more hopefully explicit in his book "Speaking Frankly" when he had proposed that the Western Powers should make a separate peace with Western Germany and then use military force to drive the Russians out of the Eastern Zone. Against this background the monotonously reiterated declarations of Mr. Bevin before the Conference about "a last chance" took on a sufficiently plain meaning:

> No one can accuse me of being impatient; no one can accuse me of not trying; but there comes an end. There comes a moment when you feel you cannot get a settlement. I hope that time will not come. (Mr. Bevin, at Bristol, November 15).

In short, the break was not merely plotted in secret; it was prepared for in public, and public opinion was deliberately built up to expect it before the Conference met.

Just in Case

To anyone who had studied the Marshall Plan, with its elaborate, detailed statistical schemes, as set out in the Paris Conference Report, for the sixteen participating States "and Western Germany," it was

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abundantly clear that the separate organisation of Western Germany as a quasi-State was already taken for granted in the Marshall Plan as the pivot of its conception of the Western Bloc. Indeed, it must have required remarkable self-control on the part of the Western Powers' representatives at the Conference to have gone through the motions of professing to discuss the questions of the future of Germany " with an open mind," as Marshall solemnly declared, and to have refrained from once mentioning the Marshall Plan in which the questions were pre-determined. But in fact even during the proceedings of the Conference the practical steps for the real policy were being pushed forward. While the Conference was in session, the United States Secretary of the Army took the opportunity to announce that the United States would have sole effective control in Western Germany in future:

> The United States will hereafter have controlling power over economic and financial policies in the merged British and United States zones of Germany.
>
> This was stated today by Mr. Kenneth Royal, U.S. Secretary of the Army. A tentative agreement had been reached with Britain, and powers on economic and financial policy would be in proportion to each country's contribution to the full budget of the merged zones.
>
> Since the United States was to assume all Britain's dollar obligations in Germany on January 1, to the extent of over £50,000,000, she would thus have a controlling voice. (*Reuter* message in press, December 10).

On December 7 the Associated Press announced that the new currency for Western Germany was already printed in the United States—of course only " in the event of failure " of the London Conference (denied by Marshall on December 10, re-affirmed by the *New York Times* on December 11):

> The U.S. Treasury has printed new currency for occupied Germany and Korea to be issued in the event of a continued failure to reach agreement with Russia on a peace settlement.
>
> Responsible Government officials confirmed the action after keeping it a top secret for weeks because of the Foreign Ministers' Conference in London.

If an honourable gentleman should attend a public debate with half a brick in his pocket and at a suitable moment hurl it at his opponent, and should then proceed to explain that he had only brought it with him " in case " he should find his patience exhausted, this would hardly be found a very convincing answer to the charge that he had premeditated the use of the half-brick.

Choosing the Ground

In practice the principal difficulty confronting Marshall and his two satellites at the Conference was not whether they should make the break—that had been already decided beforehand—but how they should stage it in order to find a suitable high moral ground for their real designs and escape the odium of obvious responsibility for the break. Here the active initiative and plain speaking of the Soviet representative placed them in a quandary. Just as Vyshinsky in the United Nations Assembly had stolen the thunder of Marshall's elabor-

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ately prepared attack on the " veto " by taking the initiative and bringing into the light of day the real aims of the warmongers, so Molotov in the London Conference took the initiative in exposing the plans for partitioning Germany and establishing a separate Western Germany, and challenging Marshall, Bevin and Bidault to repudiate these plans. No reply was possible save evasion, and the ground became increasingly difficult, as the discussion proceeded, for the intended break. Even the *Economist* by December 6 found itself compelled to recognise that " so far the tactical advantage lies overwhelmingly with Mr. Molotov." Accordingly on December 7 the " fraction " met. On that evening took place, according to the *Evening Standard* next day, a secret meeting of Marshall, Bevin and Bidault at the American Embassy " on the future strategy of Britain, the U.S.A. and France at the Conference ":

> Mr. Bevin, Mr. Marshall and M. Bidault agreed last night that if the Conference is to fail, it must be on a matter of substance, not procedure.

By December 12 the ground judged suitable was at last found. In the discussion on reparations Marshall had already two days earlier delivered the ultimatum:

> I wish it to be clearly understood that the United States is not prepared to agree to any programme of reparations from current production as a price for the unification of Germany.

Thereby the right to bilk reparations was solemnly proclaimed as the high moral ground for dismembering Germany. When in reply Molotov touched a sensitive nerve by exposing the dealings of the Anglo-American monopolies, the holy of holies, it was judged the moment had come. Further probing on these questions might prove highly painful; the only way to avoid it was to assume the air of injured noblemen whose honour had been impugned and declare the discussion closed. That night " the three Western Ministers, comparing notes at the Pilgrims' dinner, found that they all believed no good could come from " next day's meeting, which they accordingly cancelled (*The Times,* December 15); and on December 15 they staged the break. Messrs. Marshall, Bevin and Bidault had committed their crime against peace. The road was cleared for the partition of Germany and the Western Bloc.

Time to Awaken

The time has come when democratic opinion must awaken to the choice that has now to be faced. There is no more room for the illusions of those who have sought to delude themselves into imagining that the Western Bloc or " Western European unity " is the grand " third alternative " which shall be " neither dependent on the United States nor on the Soviet Union." On the contrary, the Western Bloc is precisely the strategic objective which American imperialism is concerned to establish as its instrument and base of operations in Europe, constituting an integral part of its grand strategy alongside the rebuilding of Japan in Asia. The Western Bloc is the policy of

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Marshall and Bevin. The illusion of the " third alternative " is equally fatal in the domestic field and in the international field. The unhappy life and ignominious death of the much boosted " third force " in France is recounted in Ivor Montagu's article elsewhere in this issue. The " third force " (" against Communism and Fascism ") only serves to disrupt the Left, and then finishes up in the camp of the Right. The same is true in the international field. The propaganda of the Western European bloc as the supposed " third alternative " equally independent of Bevin and of the Left only serves to disrupt the Left fight against Bevin, and then ends up in the camp of Bevin. Nor is it true that the alternative to Britain's acting as the reactionary imperialist stooge of American imperialism is to be " tied to the Soviet Union." The alternative is to pursue a democratic and progressive policy in accordance with Britain's true interests—a policy requiring the co-operation of all progressive peoples, and in the first place of Britain and the Soviet Union. Precisely such a course means to maintain and safeguard Britain's national independence.

The British People's Fight in 1948

Equally it is necessary to awake to the fight which has to be faced in Britain. The Government's present policy means a heavy and increasing offensive against the working class and the standards of the people. It means the crippling of productive development and slow self-destruction along a path of deepening economic decline. These sacrifices are not imposed in the interests of economic recovery, but in the interests of the reactionary strategic objectives of the Anglo-American bloc and the Marshall Plan. They are imposed in accordance with the programme and demands of the same monopolies which were responsible for the inter-war years of stagnation and decay. They offer no perspective save increasing dependence on American finance-capital. To fight this policy and resist this offensive is the first condition for recovery. We must not allow disillusionment and frustration arising from the turn in the Government's policy to paralyse the working class movement and play into the hands of Tory revival. On the contrary, it is now more than ever necessary to rally and mobilise the entire movement for the fight in front. The prospect of 1948 is no easy and peaceful prospect. The widespread illusions which followed 1945 have to give way to a different approach. The prospect of 1948 is the prospect of developing class battles and stormy political conflicts which will determine the future course. Only the unity, initiative and active struggle of the entire Left, Communist and non-Communist in co-operation, can ensure that the advance which was achieved in 1945 shall not be dissipated and go downwards in defeat, but shall go forward on a new and stronger basis to meet the emergency of the present crisis at home and abroad and compel the changes in policy and leadership which are now essential.

December 15, 1947. R.P.D.

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DEFLATION AND THE ECONOMIC CRISIS

By MAURICE DOBB

WHEN memories of the crisis of the early thirties were still fresh, policies of Government expenditure to promote full employment enjoyed some popularity, or at least an amicable reception, in capitalist circles (although the more non-committal term "high employment" came to be preferred to that of "full employment" with its displeasing flavour of a sellers' labour market). There were certainly plenty of doubts as to whether a situation where jobs were as plentiful as men could be a stable one. Fears were muttered that the weapon of industrial discipline—the employer's right to hire and fire—might lose its edge, labour mobility might become too small and money wages might rise precipitately, once the industrial reserve army had vanished and labour's bargaining strength had been reinforced in an unprecedented degree. But before the war such a situation seemed remote, and these fears were in abeyance; while during the war there were other preoccupations as well as other safeguards.

But two years of experience of post-war conditions have strongly reinforced these fears. (In December, 1946, unemployment amounted to only 2 per cent. of the labour force, despite widespread demobilisation and labour-transfer, or just over one-quarter of a million as against one and a quarter million in the summer of 1939). The mood has changed, and longing eyes are cast on the old pre-war state of the labour market, with its smooth "automatic" adjustments, expressing the dictates of "economic law" and "economic necessity." The desire has rapidly grown in business circles for some unemployment to "loosen up the labour market" and to bring stubborn and unruly labour to heel. Signs are accumulating that fundamentally this is what lies behind the growing talk in business and conservative circles during the past year about the need for Deflation: talk which in the autumn assumed the dimensions of a campaign. According to this view Government expenditure must be drastically cut, thereby easing-up the pressure of demand for man-power—reducing the number of jobs which compete for men to fill them, and at the same time reducing the total wage-bill and the size of the working-class claims upon the market for consumer goods. With this is usually coupled the demand for a termination of food subsidies, in order that prices of necessities shall be allowed to rise to an "economic level" and thereby "mop-up surplus working-class purchasing power" and increase (so it is argued) the incentive to work. Some economists, in their *laissez-faire* zeal, would even banish rent-restrictions (and this while simultaneously cutting the house-building programme!); since, as at least one

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economist has ingenuously argued, with his eyes fixed on the beauties of " the price mechanism ":

> If all the accommodation unnecessarily occupied by persons enjoying the benefits of rent restriction were released for use by others, much of the present housing shortage would disappear without the vast absorption of resources in the building effort which is causing us so much difficulty.

A classic comment upon a classic method of resolving economic difficulties under capitalism! Then, once working-class claims on the community's cake have been reduced and the labour market restored to its traditional state of a " buyers' market," controls could be terminated and the harmonies of the automatic price-mechanism be restored to full sovereignty. Well may a writer in the *Westminster Bank Review* (November, 1947, page 7) shyly confess that

> the financial policy which is needed will probably entail a temporary and limited retreat from the tendency which has been proceeding steadily for many years towards an egalitarian redistribution of real income.

This is a prospect which one might have expected the Labour movement, nourished upon *Let Us Face The Future,* to have viewed with alarm. But (as in 1931) the sudden onset of a trade-balance crisis, precipitated by the exhaustion of the American loan, has served to confuse the issue and to stampede opinion in many sections of the Labour movement. The question will doubtless be asked: is it not true that there is an inflationary situation at the moment, in the sense that there are more competing demands upon productive power than can be met with available supplies of man-power, equipment and imported materials? If " too much money is chasing too few goods " (as the late-Chancellor dubbed what economists have termed " the inflationary gap "), is it not obvious that some of the items on an over-crowded agenda would have to be pruned, as a matter of economic necessity, by whatever government was in power?

It is, of course, quite true that, in the situation with which this country is confronted after the exhaustion of the American loan, pruning is essential. The present situation has assuredly been aggravated by complacence in Government circles over the past 18 months: by failure to introduce adequate planning (which could have husbanded our resources by concentrating them around top priorities); by concessions to pressure for a return to pre-war " normality " (e.g., with regard to war-time concentration of industry and standardisation schemes): and by tame following at the heels of American policies for restoring " multilateral trade " (which in present circumstances means dollar-domination), and convertibility clauses of the loan agreement and in reluctance to build a boldly-conceived alternative policy of trade agreements with non-dollar countries. It is well known that many (if not most) of the economic advisers close to the Government have not only nailed their colours to the mast of American " multilateralism " but have adopted a defeatist attitude towards planning (expressed in that curious and confusing contrast between so-called " democratic planning " and " totalitarian planning " which formed

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the keynote of the Government economic White Paper which appeared at the time of the fuel crisis of last winter). Nevertheless, it remains true that, in the position into which the crisis in our trade balance has thrown us, some pruning of the agenda is essential; and had we had adequate planning earlier, the need for enforcing a rigid order of priorities and cutting our coat according to our cloth would have become apparent sooner. But the crucial question is, not whether there is to be pruning or no pruning, but *what sort* of pruning?

Recent Government policy has singled out the Government investment programme for pruning in 1948, including the programme of house-building. According to the *Economic Survey for* 1947 (Cmd. 7046), the amount (gross) to be devoted to capital equipment and maintenance (including housing) was to amount to 20 per cent. of the national income (as compared with 16½ per cent. in 1938): not a very large slice of total production in view of the amount of replacement needed after the wear-and-tear and postponed replacements of equipment during the war years,* and in view of the urgent re-equipment needs of our basic industries to overcome our backwardness and to raise productivity—the only effective offset in the long run to our difficulties in the sphere of foreign trade. Excluding housing, the amount of capital equipment and maintenance work was estimated to exceed that of a normal pre-war year by no more than 15 per cent. It is of this target that the American Professor Jacob Viner recently spoke (in *Lloyds Bank Review,* Oct., 1947, page 32), as having been " set incredibly low," with " the achievement presumably even lower "; adding that " with six years of accumulated depreciation and obsolescence of productive facilities (already in 1939 badly depreciated, obsolete, and otherwise inadequate for Britain's needs) to be overcome, this seems the most discouraging aspect of the entire picture."

There is, no doubt, much to be said for *concentrating* the manpower and materials devoted to capital re-equipment upon the most urgent needs, according to a scale of priorities; and also for giving precedence to quick-maturing schemes (calculated to yield results in higher productivity relatively quickly) over more ambitious long-term projects that will lock-up resources for longer and be slower to mature. But to give precedence to an over-all scaling-down of an already limited programme of equipment and maintenance, while leaving the inflated unproductive expenditure on the armed forces, and in particular overseas expenditure, almost untouched, would look to any sober observer like the economics of Bedlam. It is noteworthy that those who have clamoured most loudly in recent months for cutting investment have been silent about expenditure on the armed

*The Government White Paper on *Capital Investment in* 1948 (Cmd. 7268) states that " during the war . . . our capital stock was run down by an average of £300 million a year by under-maintenance," apart from the effects of enemy action.

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forces; and some of them (including Mr. Churchill for whom the Cripps Plan cut is too small and who wants a cut of £500 million) have shown signs that they would strenuously resist any curtailment of our foreign commitments. In this connection it is significant that the recent Labour Party pamphlet, *A.B.C. of the Crisis,* all but completely ignores this aspect of the question (hastily referring in one half-sentence to " additional cuts being made in the Armed Forces ", without stating that the additional cuts so far announced are quite negligible in amount).

In other words, it is abundantly clear that at the heart of all discussion of economic policy today lies a political question; and that we are being asked to accept investment-cuts and housing-cuts and deflation of working-class spending power in order to support a particular foreign policy and to fall in with American standards of what is extravagant expenditure when indulged in by European countries and what is not. Moreover, as a means of relieving inflationary pressure, reduction of the armed forces is particularly suitable on purely economic grounds. As two economists pointed out last spring (F. A. Burchardt and G. D. N. Worswick, in the *Bulletin of the Oxford Institute of Statistics,* March-April, 1947, p. 83):

> A transfer of men from the Forces to industry would have a double effect of adding directly to output and of freeing resources, hitherto employed in supplying the Forces, for civilian production. Their total current consumption in civilian life will, if anything, be smaller than it was in the Forces. Such a reduction of defence expenditure will decrease the Government's claim on goods and services, which (formally) do not add to the welfare of the country, and thus enable the private sector of the economy to make use of these resources for the production of marketable goods and services. Demobilisation reduces inflationary pressure more than the mobilisation of an equivalent number of women for industry.

There is also the class-aspect of the question as to the source from which comes the pressure of " too much money chasing too few goods." There has been some talk recently about the pressure of capitalist demand, especially in the market for capital goods, arising from the large accumulated reserves of businesses; a factor which the recently increased Profits Tax does relatively little to meet. Connected with this is the matter of those large capital gains (themselves largely an inevitable product of the cheap money policy) which have been made recently by sellers of securities, and which are apt to be treated as income by those who enjoy them, and hence as an addition to their spending-power (over and above those increased dividends which Mr. Dalton referred to in his autumn Budget speech as " inflationary because they put more purchasing power into circulation"). It is to deal with these two related questions that some form of capital levy and a capital gains tax (possibly combined with a reimpounding of the refundable portion of E.P.T.) have been advocated in recent months, even by some economists who stand some distance from the Left. In view of what we have already said, it is, perhaps, not altogether surprising that those who have shouted about the need to cut

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Government investment expenditure should mostly have been silent, again, about such proposals. But it was less to be expected that such proposals would be ignored in the announced crisis-policy of a Labour Government. In this connection it is also worth noting that the recent official White Paper on *Capital Investment in* 1948 should confess its reluctance to control investment in the private sector of industry by reintroducing a licensing system for the acquisition of plant and machinery, despite the admitted "danger that exports or important home needs may be prejudiced by the pressure of demand for less essential purposes."

There is one further aspect of present economic policy which deserves comment. This is the extent to which the prevailing emphasis upon retrenchment is encouraging a negative, even a defeatist attitude towards the problem of production and increased productivity. By this I do not mean only that the kind of retrenchment which jettisons the salient planks in Labour's 1945 election programme is in danger of taking the heart out of the workers' production drive; although that is a very important aspect of the matter. Nor am I referring only to the fact, which has been mentioned above, that the cutting of productive investment-expenditure in preference to unproductive is depriving us of the future means of overcoming present shortages—namely increased productivity per man hour. No less serious is the extent to which present policies are becoming an easier *alternative* to measures of radical re-orientation of the British productive system, which the changed situation of British economy so evidently requires, and an excuse for allowing industry to settle back into its traditional patterns. Here I refer particularly to the need to reduce the uneconomic multiplication of variety and the dispersal of resources over a wide range of different styles and lines and over an uneconomically large number of productive units, to which the so-called "monopolistic competition" characteristic of modern capitalism is so notoriously prone. Again I cannot do better than quote from the two economists whom I have already cited:

> The speed with which the Government has allowed industry to return to the easy-going and profitable differentiation of products, spread in small batches over equipment, which under these conditions cannot give optimum results, is probably as great after this war as it was after the last. Manpower has gone into multiplication of designs, wrappings, and the salesmanship associated with it, machinery runs have been curtailed and equipment has been deconcentrated, with the result that with a given equipment we seem to be less productive now than we were before. There can be little doubt that specialisation of firms, the reintroduction of utility schemes, and in certain cases the effective concentration of whole industries could gain us the equivalent of several hundred thousand man-years output in 1947 without much additional capital . . . From non-official sources one hears again and again that cutting down varieties and modest specialisation between firms has increased physical output per head by 20, 30 and 40 per cent . . . Lack of standardisation and a premature return to excessive product variety contribute to the manpower shortage, the export backlog, and the rising price-level. If we want to increase efficiency, this trend must be reversed and the

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Government must re-negotiate with industry specialisation between firms, concentration of industry and standardisation of products. (F. A. Burchardt and G. D. N. Worswick in *Bulletin of Oxford Institute of Statistics*, March-April, 1947, 86, 88).

This is an aspect of the matter which is apparently being lost sight of amid the welter of deflationary and back-to-the-price-system talk. But it is something which both the Labour movement and the nation can lose sight of only at their peril; and it is something which underlines the urgent need for effective long term planning of the economy as a whole.

BREAKDOWN OF THE LONDON CONFERENCE

By QUAESTOR

THE London Conference broke down on 15th December—as was intended. American Imperialist policy throughout 1947 had worked to this end. The breakdown of the London Conference of Foreign Ministers has brought forward once again, with staggering clearness, the basic issues which have for many years brought the forces of world imperialism into clash with the forces of Socialism and democracy. Let us recall briefly what they are.

From the coming to power of Hitler in Germany, British and French Tory policy was to egg him on, with his allies, to attack the U.S.S.R—making every sacrifice of weak nations in Europe, Asia and Africa for the purpose. This policy failed, and led instead to the European war of 1939.

When the European war developed eastwards, by Hitler's attack on the U.S.S.R. in 1941, a senator from Missouri, according to the *New York Times* of June 24, 1941, said that the U.S.A ought to help "whichever side seemed to be losing. If we see that Germany is winning we ought to help Russia, and if Russia is winning we ought to help Germany, and that way let them kill as many as possible." The name of this Senator was Harry F. Truman, and he is now President of the United States. Three months later these sentiments were echoed by a member of the British Government —the Minister of Aircraft Production—and never repudiated. And the second front in the West was postponed from 1942 to 1943, and from 1943 to 1944, which had precisely the effect desired by Senator Truman.

At the inter-Allied Conferences of Moscow and Teheran (1943), Yalta and Potsdam (1945), pledges were adopted to destroy German militarism and Nazism, and to ensure reparations to devastated countries at German expense. The destruction of German monopolies and the elimination of Nazi supporters from "positions of responsibility in important private undertakings"—no less than administrative and repressive measures—were given pride of place in the

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Potsdam decisions. The questions of economic unity of Germany, being manifestly dependent on unity in carrying out these provisions, came well down in the order of procedure (fourteenth clause). It is quite untrue to suggest that it was the "central" or "basic" feature of Potsdam.

The Soviet Union has fulfilled the decisions about destroying German militarism and Nazism to the letter. Anyone reading the testimony of Gordon Schaffer's "Russian Zone" can convince himself of this. The Western Allies have not carried out those decisions, as scores of journalists, trade union delegations, and Allied officials have testified. But on the plea that the Soviet Union has prevented German economic unity, the British and American Governments unilaterally first separated off the Ruhr from the rest of Germany, then amalgamated their zones, and finally arbitrarily raised the levels of industrial production permitted there. By January 1, 1947, they had dismantled 3 out of 1,554 war plants in their zones, while the U.S.S.R. had dismantled 676 out of 733.

In the course of discussions on the Marshall "Plan," this summer, the U.S. Government made plain its purpose in all this—to rebuild Germany as one of the "great workshops of Europe and Asia." Bearing in mind the preservation of German monopoly trusts and cartels under the guise of Advisory Committees, and the maintenance of prominent Nazi supporters as economic administrators, this policy means nothing less than the rebuilding of monopoly capitalism in Germany. In turn, this means the complete reversal of the policies laid down at the inter-Allied Conferences.

These are the issues which dominated the discussions at the London Conference of Foreign Ministers, called to decide on the future treaty with Germany. The main episodes of the Conference saw them breaking into the agenda, again and again.

It took a stubborn struggle on the part of the Soviet Union even to bring the question of preparing a peace treaty with Germany to the top of the agenda, from the bottom, where the American, British and French drafts were prepared to relegate it. It was significant of the desperate methods now being adopted to stifle the Soviet point of view that the British press (under expert guidance) completely suppressed for several days the Soviet challenge to the others (on November 28) to adopt a resolution condemning "the formation of governments for any of the zones of Germany"—as contrary to the need for an all-German-democratic State—a challenge which the other governments could offer only embarrassed evasion. Only three days later—on December 1—was a belated report printed in *The Times*.

Again, an issue which arose on December 1—whether the future German Constitution should be made expressly dependent, by one of its clauses, on the future Peace Treaty and an Allied control set up under it—spoke eloquently of the attitude of the various Powers. The Soviet Union, which has shown that it stands for a united Germany cleared of Nazism and its economic basis—aggressive monopoly

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capital—saw no reason for such a link, no danger in letting the people in *such* a Germany decide their own Constitution, without fear of a foreign veto or other interference. The United States and Britain, which as we have seen had already kept up their sleeves the card of a dismembered, or "zonal," Germany—with their zone safe for capitalism—insisted on such a clause. Why? Because they "feared" a rebirth of monopoly capitalism in a Germany free for Socialism and Capitalism to engage in peaceful competition? Of course not: they are busily implanting monopoly capitalism where they possibly can. Obviously it was precisely because they feared the other alternative—that the German people might choose Socialism. It was hardly a coincidence, after all, that on December 10 the U.S.A. House of Representatives added a clause to the "Marshall" Relief Bill providing for the *automatic* stopping of aid to any country where the people, even by voting, put Communists in the Government!

Equally significant was the attempt of the U.S. and British Governments on December 5 (the French Government supported them a day later) to force discussion of the economic principles which were to underlie the future Treaty with Germany on the basis of a document, prepared by Mr. Bevin as early as March 31, 1947. For this document ignored the basic principles of the Potsdam agreement on the subject of reparations, the role of the German people in the management of their economic life, etc., and even expressly declared that where there was "inconsistency" between the document and the principles of Potsdam the document must prevail. Only after a stubborn fight, in which Molotov had to point to case after case (of the kind noted above) where the Western zones had seen blatant violations of the Potsdam decisions, was agreement arrived at on December 9 that discussion would proceed on the basis of both the Bevin draft and a parallel document, submitted by Molotov, in which the Potsdam principles on all main questions were restated.

On December 10th an incident occurred which can best be told in the restrained language of the Soviet communiqué—the more effective because there was no material difference in it from the British account:

The Ministers passed to an examination of paragraph 25 of the British proposals, concerning the question of financial reform in Germany:

"The appropriate German Central Administration shall present, for the approval of the Control Council, proposals for financial reform in Germany. The aim of these proposals shall be to place on a sound basis the German currency, the system of taxations and banking, the national debt, the foreign exchange rate and the wage and price levels, to diminish the danger of inflation which arises from the present excess of purchasing power, and to provide for an equitable sharing among the German people of the financial burden of the war and its aftermath."

Mr. Marshall proposed deleting the first phrase of this paragraph and substituting the words: "A programme for financial reform throughout Germany will be adopted not later than by March 31, 1948, which should be put into effect immediately after its adoption." This American amendment aimed at avoiding reference to the participation of a German central administrative body and also of the Control Council in drawing up the plan for financial reform in Germany.

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V. M. Molotov declared that the Soviet delegation was in full agreement with the text of the British proposal. Retreating, however, from his own proposal, Mr. Bevin spoke in support of Mr. Marshall's amendment. M. Bidault also expressed agreement with the American amendment.

V. M. Molotov remarked that now that the Soviet delegation had associated itself with the British proposal, the British delegation was withdrawing from its own proposal, as already formulated during the Moscow session of the Council of Foreign Ministers and introduced again at the London session.

"If the Soviet delegation were now to associate itself with the new British proposal, would the British delegation renounce this as well?" V. M. Molotov asked.

But on December 10 also the Western Ministers evidently judged that there were dangerous signs of a possible agreement on the question of a central government for Germany, and decided to raise the real issue on which the conference was to be wrecked. "We will not agree to the programme of reparations from current production" declared Marshall, arguing once again from the position that U.S.A. and Great Britain are "pouring in food to keep Germans alive," at a cost to themselves of 700 million dollars a year. He promised (once again) that reparations deliveries in capital goods would be made—as though the American and British Governments had not already made a farce of their promises on this subject. Bevin and Bidault faithfully echoed their leader.

On the significance of this declaration all commentators agreed. It was the issue "that is likely to make or break this strained conference of the four Powers," wrote the diplomatic correspondent of the *News-Chronicle* next day. The possibility, "never very strong," of practical agreement had been "still further reduced," wrote his colleague of *The Times*. So it proved. In his reply, on December 12, Molotov restated the whole position plainly and unequivocally:

Recalling again the Yalta and Potsdam Agreements, I am bound to state that the Soviet Union is not asking but demanding that the question of reparations be at long last decided. The Soviet Union insists that agreements regarding reparations should not remain on paper but should be carried out as has been decided.

The difference, in this respect, between the Soviet Union and the United States of America, for instance, is generally known. Direct damage alone, inflicted by the Hitlerites on the Soviet territory they occupied, has been estimated at 128,000 million dollars. Nobody can deny the enormous damage caused to the Soviet people by German occupation. Quite different is the case of the United States of America, which, fortunately, was not subjected to enemy occupation, and, what is more, enriched itself during the war. The data which have been published testify to the fact that the profits of big property owners in the U.S.A. reached unprecedented heights during the war years. Under these circumstances the representative of the American Government may, perhaps, make a statement objecting to reparations for the Soviet Union. But in order that this statement may be recognised as well-founded and just, it must be shown that it rests at least on some sort of a moral basis . . .

The Government of the United States of America proposes to us that reparation deliveries from current industrial production should cease, whilst nothing is said about the state of affairs with regard to reparations on account of equipment deliveries . . . Under the Potsdam Agreement reparation deliveries

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of equipment from the Western zones of Germany are provided for in respect of 20 allied countries, but during the whole period ending November 1, 1947, these 20 countries, including the U.S.S.R., received such equipment to the amount of 33 million dollars only. It is evident from this that in actual fact the reparations from the Western zones have been wrecked. Is this situation admissible? Is it not a mockery that, in the course of two and a half years, all the 20 allied countries entitled to reparations from the Western zones have received reparations to the amount of 33 million dollars only? Is this the proper way of carrying out obligations assumed, if the wish to carry them out is there?

As long as allies were needed in the war against the common enemy, they mattered; not inconsiderable promises were made to them and obligations were entered into. But that was during the war. Little was left of these promises when came the time for peace-making.

Three days later, after a week-end break to prepare public opinion by newspaper headlines, Marshall officially declared that the conference was over; and once again was dutifully supported by Bevin and Bidault. The real issue had been laid bare. The United States and British Governments—representing the interest of American and British monoply capital—were determined to do their utmost to save at least Western Germany for capitalism, whence to control all Western Europe and to menace the east European countries. They were determined that, in so far as in them lay, nothing would be done at Germany's expense to assist the countries ravaged by Germany, but now beyond the grasp of monopoly capitalism—the U.S.S.R. and the new people's democracies. Marshall and Bevin in 1947 had openly resumed the policy of Chamberlain and Daladier in 1933-39. The dog had returned to its vomit.

December 16th, 1947.

DEATH OF A THIRD FORCE

By IVOR MONTAGU

IT died suddenly, and spectacularly, on November 24, a poor infant, aged about 18 hours.

How eager Transport House is now to hush up the tragedy. But it can't be done. After all the decease occurred in full view. On one day Blum, the bold hero, announced from the tribune its birth; the Third Force—Social Democracy its parent—neither Washington nor Moscow—neither de Gaulle nor Duclos—a plague on both extremes, here stand we in the middle, the destined saviours of democracy and France. And on the next the Socialists, the bold Blumites, were obsequiously trooping into the voting lobby, as part of a majority including one set of these eschewed extremists (de Gaulle), supporting a Government pledged to save the Republic—from what? From the working class asking for wages to catch up prices. Let us hope that at least their blushes were still red.

Pass me my deerstalker, Watson. We cannot allow the child to

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be encoffined without a post-mortem. After all, it is taking into the grave with it the rosy hopes dangled before us by Dick Crossman and his cronies for ever so long.

This death is, after all, the ignominious ending to the splitting pilgrimage throughout Europe started with such high hopes by Professor Laski almost while the gun-muzzles were still warm.

There was a moment, just after the Nazis were driven from Europe, when there seemed a chance that the long cleavage in the working-class might be ended. Hitler's boots had stamped in a lesson. The masses, whatever their pre-war labels, wanted no more pre-war divisions. Socialist-Communist unity, either within a single party, or by means of an alliance treaty, and this unity the kernel of a still wider brotherhood, was the order of the day.

At this juncture Transport House loosed upon Europe a series of splitting agents preserved safe and sound in England for that very purpose, leaders who voted for Hindenburg or who vetoed action against Dollfuss, leaders with the mothballs of Kautsky's outcries against Lenin tucked in every trouser-leg turn-up.

And their No. 1 Big-Bertha or V2 was Professor Laski. The man who could be put up to make a Labour Party Conference think its National Executive was Left, just whenever a surfeit of Attlee and Morrison was beginning to create alarm and despondency. A man who was literate, who even condescended to Marx. Just the boyo. On his Grand Tour in Paris, in Copenhagen, in Oslo, in Brussels, in Rome (no, not *altogether* in Rome) the little Professor did his best and carried off vote after vote that disrupted unity and disposed of all possibility of maintaining the parliamentary majorities of the working-class parties. Perhaps he looks back on this journey as a triumph?

The Thorez-Duclos theory was that the working class must be united and attract to a programme in the national interest all truly popular forces, to resist and overcome the anti-Socialist, anti-national, Quisling-in-search-of-a-master, forces of monopoly-capital reaction.

The Laski-Blum theory was: neither one thing nor the other—not reaction—are we not Socialists? Not unity—are we not Brahmins and Communists sweepers? The Third Force, that's us.

And now we see their Third Force. A practical collaboration with the Gaullists to elect Socialist mayors with Gaullist votes, Gaullist mayors with Socialist votes. Anything to prevent election of mayors from the party that obtained the highest number of votes in the country (the Communist Party). In case you don't know, and might not notice, this—in Professor Laski's vocabulary—is called democracy.

While, on the plane of national politics—a grand rally of all forces in Parliament, from the followers of Blum to the followers of de Gaulle, to carry out an assault in classical style on the conditions of the working-class!

" Socialists " who support a refusal to peg wages to the cost of living on the ground that this will cause inflation!

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" Socialists " who proudly follow a Catholic banker in proclaiming—with bayonets—a " right to work " that is really, from A to Z, no more and no less than the opportunity to blackleg!

Here, precisely, is your Third Force.

Hand-in-hand with this disillusionment on the wholesale scale has gone an all-out effort à la Goebbels, on all gramophones from *Le Populaire* through *The Times* to the B.B.C., designed to conceal what is really happening by describing strikes against rising prices as political strikes.

What has happened to the vaunted wit of the Latin at your hands, O inadequate guardians M. Robert Schuman and M. Jules Moch? These foreign trouble-makers who had to point out to Frenchmen that prices had risen by three times as much as wages, before the latter noticed it! Those 19 wonderful Russians who were needed to explain to more than two million Frenchmen that if you don't eat you starve!

The C.G.T. is " Communist-controlled." The individual unions are " Communist-controlled"! The strike is "Communist-controlled"! It cannot but be so, for do I not read it every time I open the *Daily Herald* or the *Daily Mail,* do I not hear it every time I switch on a news bulletin? Indeed, after all, it is very probable, for has not election after election conclusively demonstrated that in France the overwhelming majority of the working class consists of Communists? But, really, Messieurs of Transport House and Broadcasting House, is it indeed only the Communists who think that if prices go up, wages should go with them, who think that, if workers have not enough to eat, they should go on strike? In short, is it really only the Communists, nowadays, who are on the side of the working class? Perhaps so—and to this your " Third Force " has reduced the French Socialist Party.

A great secret has been discovered by the Socialists. The strikes are "political" strikes because of something that is happening somewhere else. They are part, it appears, of a " general Communist offensive "—M. Jules Moch, the new Napoleon, beats himself on the breast and declares that the Communists are about to seize power, that he will prevent them. When disorders occur, these, no matter who provoked them, are proof of his prediction. (It is worth remembering, by the way, that the word "sabotage" is a French word, coined before Communism; *and the word "provocateur" likewise*).

The common strike offensive in France and Italy is like the common trial offensive in Poland, Rumania, Hungary and Bulgaria. Naturally, if spies, traitors and assassins intensify their criminal actions, the defenders of democracy will intensify its defence. Naturally, if a Government lets prices shoot up and forbids increase in wages, the workers will protest. Certainly, there is a "synchronised" activity of Communists in Europe at this moment. If you seek why it is synchronised, seek the cause in the Washington corridors, where walk the paymasters of traitors in Eastern Europe who became more

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barefaced in their plotting, the wire-pullers of the Catholic and Socialist politicians in France, the Catholic politicians in Italy, who suddenly threw their erstwhile Resistance partners out of the Coalition cabinets, threw overboard the commonly adopted programmes, and let soar the cost of living. Ask why this all went on together and the reply will tell you why the workers answered.

This is no strike for pure Trade Union aims, says the *Daily Herald,* but for subversive Communist ones. It is a strike against the Marshall Plan. Is this true? Perhaps the last sentence is true at least. For perhaps the destruction of that which the French Trade Unions are fighting to preserve: the living wage, the trade union organisation of the working class, the right to strike—perhaps it is indeed the destruction of these that is the essence of the Marshall Plan.

When Mr. Dulles—lawyer once for the German monopolists and for Petain—visited Paris to give Messrs. Schuman, Moch and Big Charley their marching orders, perhaps he told them: "At all costs we Americans wish to see the C.G.T. unbroken, the right to strike uninterfered with, the worker fairly paid—otherwise you will get no cash." Or perhaps he didn't. What do you think?

Eighteen short hours. And the Third Force, which in the name of democracy was to have no truck with totalitarianism either of Left or Right, in the name of the same sacred principles is earning de Gaulle plaudits and standing against the workers. What about a Third Force that, for a change, stands up for the workers and gains the plaudits of the Communists? Or ain't there any such Third Force? History has never seen one.

The shambles of French "socialism" in all this has been complete. That Moch and Mayer should constitute themselves the right-wing and mock and mow at the most moderate aspiration of the French working class, the right to live, was hardly unexpected. But what of the famous "divisions" of the French Socialist Party, which used to be so much publicised at every Congress by its apologists wherever the leaders' acts had temporarily passed beyond the stomachable? What of M. Blum, whose evangel of the Third Force was so loud and fresh its echoes had scarce languished? Not a peep out of him. What of M. Mollet, under whose valiant mouthwash the Socialist Party was to grow so Left that the Communists would be left behind. Any criticism of the strike-breaking and of the Government refusal of a pegged cost-of-living bonus from him? No one can say he has not been moved by the situation, anyway, he is moving across the Channel to weep on Dick Crossman's shoulder for the fate of their common progeny. Just one thing and one thing alone appears to unite all the divisions of French Socialism, an attack on the working class enables each to find a niche.

The Jouhaux group, strenuously endeavouring to salvage the last traces of working class votes left to the Socialist Party, did run around pleading with all its political leaders, from Mayer to Auriol, not to

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wipe out *every* right and freedom of the workers, nor deprive them of *all* crumbs, but received scant satisfaction.

To save the face of its political wing (the Socialists), the Jouhaux group had to say it was against the strike. To save a shred of its own face among the workers it had to admit that it supported the strike demands. ". . . there must be an end to the mounting spiral of wages and prices. . . The inequality in the distribution of incomes has never been so great as now. The reason is inflation, the eternal enemy of the working classes; the responsibility for it rests with the Government." Thus Jouhaux.

With what Government, please? The Government first of Ramadier, then of Messrs. Moch and Mayer. The Government from which the Communists were excluded. The Government of the Socialists. The Government of the Third Force.

And it is a lesson that certainly no worker or housewife in France has been able to miss. If the workers have not won all their demands —those moderate demands that even Jouhaux supported—if the slave law is on the Statute Book, they know whom they have to thank for that. If they have made gains of a part of their demands in bitter struggle, if their organisation goes back intact, they know whose steadfastness they have to thank for that, too. They know how much in the future they can expect from Mr. Blum or Mr. Facing-both-ways Jouhaux. And they know how much they will have to rely on their own strength. And their conclusions? Are already being counted in more votes for the Communist Party, more recruits.

While the British Press from the *News-Chronicle* to the *News of the World* is hosanna-ing a frustration of the Communists in supposing that they have been prevented from doing something they never at any time attempted, a great battle has instead taken place, but one that leaves the working class and its vanguard strengthened, alerted and enlightened for those that follow. What *is* exploded now forever for France is the Third Force. How could it be otherwise?

It is as though the T.U.C. had been ordered to peg wages while prices soared, refused, and been faced with a coalition of Woolton and Morrison introducing a ten-times-worse Trades Disputes and Trade Unions Act and utilising conscription to strike-break, been denounced as Reds, the while Attlee had retired to write a few articles for the *Daily Herald* and a pamphlet for Henrietta Street, and the Dick Crossman and Laski boys had run around wringing their hands in the intervals of adding their share of Red-baiting.

The analogy is, after all, not too far-fetched. For where has been the voice of British Socialism and the General Council all this time? The Schuman-Moch-Mayer Bill against the strikes is worse even than the Taft-Hartley, and the distance across the Channel is less than that across the Atlantic. There is an Anglo-French Trade Union Committee, the aid of M. Blum is often invoked to advise a British Labour Party conference against something or other. What about a spot of

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advice to M. Blum on the "freedoms" British Socialist and trade union tradition finds essential, in exchange? There could be no greater contrast between the complete assent and enthusiasm with which the Labour Movement in Britain saw the Government as one of its first deeds repeal the Trade Disputes and Trade Unions Act of 1927, and the silence—amid abashed murmurings about the shared sacred traditions of Western civilisation, so much grander than the variety available to lesser breeds—with which the said Labour Government bigwigs have seen their partners (and masters) introduce the Taft-Hartley Bill in Washington and their partners (and fellow-servants) introduce in Paris an anti-trade-union act recalling the dictatorship of Louis Napoleon.

The repeal of the Trade Disputes and Trade Unions Act occurred in the days of the green leaf, while the impetus of the great electoral victory was still shoving the Labour bigwigs along the path of the programme cherished by their supporters. What can happen in the days of the sere and yellow is shown *in petto* by the Savoy strike, whose Labour Home Secretary, police and judiciary all conducted themselves precisely as though no election victory had ever taken place and the repealed Act were still on the Statute Book.

"It can't happen here" is a comforting, but also a perilous, soporific. The Attlee gaffe about wage-pegging in Britain was a straw showing the way the wind blows from Wall Street. The full heat has not been turned on here yet, there is still a narrow space in which our own Mochs and Mayers with their masks on can strut the tragi-comedy of the "Third Force" a little longer. But the laws of motion of society are not suspended, the appetite of the gross gentlemen behind ex-General Marshall will not diminish and the "Third Force" has its own logic. It would be wise to be warned.

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ON THE EVE OF REVOLUTION IN EUROPE

In January, 1848, "The Year of Revolution," Marx worked on the Communist Manifesto and by the end of the month sent the manuscript to London to be printed. On 9th January Marx delivered to the Democratic Association of Brussels his address on the Question of Free Trade. Earlier, in a reference to the "Journal de Bruxelles," which had accused them of wanting "to improve the human race," Marx wrote that they did not wish "to compete with the reverend fathers in this humanitarian business" which ever since 1640 had been the monopoly of Congregation de Propaganda Fide; and that the "Northern Star" was mistaken in making him say to the Chartists, "You will be saluted, as the saviours of the human race."

Meantime Engels was in Paris where, as he recounts in a letter to Marx, he visited the poet Heine, then in very poor health. Engels was busy as correspondent for the "Northern Star," "La Réforme" and the "Deutsche-Bruesseler Zeitung." In the last he wrote on 23rd January an article on "The Movements of 1847," in the course of which he referred to the newly-elected parliament in Britain: and this passage, together with his conclusion warning the bourgeoisie that their time of victory would be shortlived, is given below:

"In England we have a new parliament which, says the Quaker John Bright, is the most bourgeois parliament that ever assembled. John Bright, the most typical bourgeois of the whole of England, is the best authority we could wish for on that point. But the bourgeois, John Bright, is not the bourgeois who rules in France or thunders with passionate bravado against Frederick William IV in Prussia. When John Bright speaks of a bourgeois he means a manufacturer. Since 1688 Britain has been ruled by particular sections of the bourgeoisie, but in order to facilitate their conquest of power they have left nominal power in the hands of their debtors, who are dependent on them, the aristocracy. Thus, while the struggle in Britain is, in reality, a struggle between different sections of the bourgeoisie itself, between rentiers and manufacturers, the latter are able to make it appear to be a struggle between the aristocracy and the bourgeoisie, or, in case of need, a struggle between the aristocracy and the people. The manufacturers have no interest in maintaining the illusion of rule by the aristocracy, since the lords, baronets and squires do not owe them a farthing. They are, however, greatly interested in overthrowing this illusion, because with the disappearance of this illusion, the rentiers will be deprived of their sheet-anchor. The present Parliament of bourgeois-manufacturers will carry this out. It will convert the old feudal-looking England into a more or less modern country organised in bourgeois fashion. It will bring the British constitution into line with those of France and Belgium. It will complete the victory of the British industrial bourgeoisie.

Once again an advance of the bourgeoisie, for even an advance

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within the bourgeoisie in an extension, a strengthening of bourgeois rule . . . . . .

Engels concluded the article with a paragraph that ends with a line from Heine's poem.

Fight on valiantly, you gracious masters of capital. We need you for the present, here and there we even find your rule needful. You must clear out of our way the relics of the Middle Ages and absolute monarchy, destroy patriarchalism, centralise, transform all the classes that are to a greater or lesser extent property-less, into real proletarians, into recruits for us. Through your factories and commercial connections, you must provide us with the basis of the material means needed by the proletariat for its liberation. Your reward shall be to rule for a brief space. You shall dictate laws, you shall bask in the splendour of your self-created majesty, you shall feast in the royal hall and marry the beautiful princess—but, do not forget it—

'The Executioner stands at the door.'"

U.S.A. Grabbing Greenland?

The Copenhagen newspaper "Lanf og Folk" (quoted by TASS) devotes its editorial to the problem of Greenland, and writes:

The Americans can no longer entertain any doubts that the Danish people unanimously demand that the Greenland Treaty be annulled and that the American occupation of Greenland be brought to an end. The news of the Americans' evacuation of the base in Angmagsalik was received as a gleam of hope that the U.S.A. will, after all, fulfil its solemn promise to re-establish the sovereignty of Denmark over Greenland. But now it transpires that this optimism was premature, and the Danish Embassy in Washington says that the Americans will probably condescend to return to the Angmagsalik base in the spring of 1948.

As usual, the Danish Foreign Ministry takes no steps, but humbly watches the Americans unwarrantedly playing the master in Greenland. What is the reason for this humility? Is it not due to "intentions" of the Americans to purchase Greenland? This idea now and again springs up in the U.S.A., and recently it has again been brought forth by the American Congressman Bennett, who even insisted that the sale of Greeland to the U.S.A. be made the condition for rendering economic aid to Denmark under the Marshall plan. That is where the weak spot is.

This reluctance to "offend" the American Government can be explained only by a fear that by insisting on our natural international rights we would place ourselves among the countries "unworthy" of receiving dollar aid, the necessity of which has so far not been proved by anybody. With extraordinary insistence the Americans assert that "the Marshall plan is not connected with any political conditions." The faithful servants of America in the Danish press only repeat their assertions, even after the American Congressman has brought forth the demand for the sale of Greenland, a demand unprecedented in its extraordinary cynicism. We should not cover the more than doubtful benefits of the Marshall plan.

—*Soviet Monitor*, 26.11.47.

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Book Reviews

The World from Nuffield College

The Intelligent Man's Guide to the Post-War World by G. D. H. Cole (Gollancz, 21s).

MACAULAY once wrote of Lord Brougham's "encyclopædic mind. He is a kind of semi-Solomon. He *half* knows everything." It would be unjust as well as unkind to apply this saying to the prolific output of the British Cole industry. The latest monumental offering from the one British industry whose productivity should satisfy even Sir Stafford Cripps is a serious and sincere contribution to the discussion of current questions, a masterly compendium of much statistical and other information, and a marvellous feat of publishing under present conditions. But the truth must be told. It is not a Guide to the Post-War World. The Intelligent Man will need a clearer map if he is not to get lost in the labyrinth.

Let us take an example. There are 123 charts, plans, diagrams and maps. But there is no map of American bases in the world, without which the Intelligent's Man's understanding of the realities of the present world situation is likely to be dim. From all the elaborate discussion of world power relations he would never guess that American arms expenditure is eleven times pre-war, British three to four times, while Soviet arms expenditure is down to pre-war. The atomic bomb is discussed in general terms without reference to either the Gromyko Plan or the Baruch Plan. Although the book has been revised, according to the Introduction, to "the end of March, 1947," the Truman Doctrine does not even get a mention in a footnote. In short, American imperialism appears, not as a central fact of the modern world situation, in hard terms of monopolist concentration, armaments, bases and expansionist strategy, but only as a point of view, an opinion on foreign policy, the "will to unite as much as possible of the world under American leadership" appearing as one of "the contemporary movements of American opinion" (p. 965).

While the jungle world of imperialism thus dissolves into the amiable atmosphere of a senior common room discussion, the complete remoteness from the world of the peoples, from the advancing popular movements and new dynamic forces which have swept over the world in the wake of victory over fascism, is no less striking.

On China we are given a pessimistic picture, not only that American capital will "pour into China" and strive to "liquidate any form of Chinese or other Far Eastern Communism," but that there are "probably for some time to come no obstacles formidable enough to impede this policy; the Far East, or a large part of it, will become an American economic colony" (p. 710).

In Eastern Europe the triumphant advance of the new democracies with their planned economies on the road to socialism is dismissed with the comment:

> "The entire situation in Eastern Europe remains so difficult to interpret politically that I propose to say but little about it in this book" (p. 772).

He is as good as his word. Yugoslavia, as important a centre as any in the world today for the understanding of what is new, living and creative in the modern world, is dismissed in half a page. The only certainty he expresses with regard to Eastern Europe is that the prospect is "a bleak outlook for the countries of Eastern Europe" unless Western capitalism comes to their aid; "the peoples of Eastern Europe will remain in primary poverty" (pp. 705-6); Poland, Yugoslavia and Bulgaria must understand that their primary task is not industrialisation, but to be an agricultural background for industrial Europe: "the first place in effective plans of economic development for these countries must be given to improvement in standards of agricultural production, transport and marketing" (p. 75).

As for the Soviet Union, the unwary

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reader might be astonished to learn from the table on page 56 that its level of productivity before the war was below that of Spain or Brazil, and presented as equal with that of Egypt—if he is not careful enough to note that the source of this interesting information comes from the notorious anti-Soviet statistics of Colin Clark relating to 1930.

The World Trade Union Federation does not appear in the picture of the post-war world, and is mentioned once only in a passing reference on the division of the American labour movement.

The origin and history of the division between the modern Communist Parties (somewhat misleadingly described as "groups in other countries which set out to follow the lead" of the Russian Party, from which the reader would hardly gather that they represented the majorities of the leading European parties) and Social Democracy is recounted without referring to the first world war—a remarkable feat.

In general, in the treatment of theoretical questions the weaknesses are inevitably most apparent. The description of Marxism and Communism follows the familiar lines of "What Marx Really Meant": materialism becomes "realism"; the materialist conception of history receives the idealist gloss that "Marx saw world history as developing fundamentally through the advance of human knowledge"; Marxist economic theory is misinterpreted in the usual ethical fashion; Lenin's theory of imperialism is defined in terms of Hobson's theory of underconsumption; Fascism is described as "nationalist and militarist rather than capitalist," "a throw-back from capitalism to militarism" (the present indictment of the Chemical Trust and Krupps war criminals throws an interesting light on this illusion). Keynsian economic theories govern the general treatment. Communism is described as sacrificing individuals to "the totalitarian class"; Stalin "thinks and feels about people statistically and in the mass, not as units." There is a constant hankering after the middle way, the "third conception," the "ethical tradition of Western civilisation" regarded as upheld by Anglo-American imperialism and the minor imperialist Powers and satellites of Western Europe, even though the desire is evident to find an imaginary distinction between this spiritual nostalgia and the more obvious reactionary warmaking drive of its main champions.

The final outcome is a very mixed Fabian plum-pudding. Despite its portentous length, the book is singularly rambling and shapeless, and suffers from inevitable repetition (e.g. pp. 152 and 258). There is no attempt to begin from any estimate of the outcome of the second world war and the new world situation. Instead, the book begins with an abstract disquisition on unemployment (obviously reflecting the now remote "post-war" discussions of 1943-44), moves on to an examination of Capitalism, Socialism and Fascism, returns in Part III to "The Chance of a Job," then in Part IV examines "Post-War Britain" (the most useful section, irrespective of political differences), and moves on to "International Development" and "World Affairs."

The explanation of this lack of any systematic approach becomes clear from the Introduction. The Introduction sets out as the starting point a series of twelve moral postulates, including "Canons of Social Conduct," "Morality" ("I assume that the simple rules of common morality are valid"), "Truth," "Personal and Political Freedom," "The Duty of Service," "Right and Wrong Vision," etc. These are set out as dogmas outside argument ("anyone who denies their truth is blind or mad or wicked"). They are eternally valid ("they are good altogether, and for good, from the moment of their conception in any man's mind. They are as true in the "atomic" as in the "pre-atomic" era; and they will be no less true in a hundred years or a thousand years than they are today"). So we are back at the starting-point of infantile utopian socialism and pre-socialism in the realm of the Eternal Moral Truths, which can provide no objective guide to the real world, and have always been the stock-in-trade of

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the priest and the charlatan to buttress equally any and every social system. On this one can only quote what Marx wrote of Proudhon:

"In place of the great historical movement arising from the conflict between the productive forces already attained by men and their social relations, which no longer correspond to these productive forces; in place of the terrible wars which are being prepared between the different classes within each nation and between different nations; in place of the practical and violent action of the masses by which alone these conflicts can be resolved—in place of this vast, prolonged and complicated movement, Monsieur Proudhon supplies the whimsical motion of his own head."

(Marx, Letter to Annenkov, December 28, 1846).

Nevertheless, let us be grateful for what there is of value in this Fabian encyclopædia. A great deal of useful statistical material is here conveniently brought together for reference; and the author's customary skill is shown in digesting and lucidly summarising many of the important White Papers and Government Reports of recent years, as well as recent legislation. The chapters on Education and Health are first-rate.

Besides, on many issues of controversy, despite his differences of approach from the left and ceaseless search for the will o' the wisp of a centrist solution, Cole does acutely and candidly criticise right wing policy. In his analysis of Britain's crisis, he exposes the cost of "a foreign policy based on taking an undue share in policing the world in the interests of American as well as British capitalism," and warns against the danger of Britain becoming an American satellite.

"As satellite Britain, held firmly in the clutches of American capitalism, will need a Government acceptable to its masters—and will, before long, undoubtedly get such a Government. But a Government acceptable to the Americans will be entirely incapable of tackling the problems of British economy."

He advocates socialist-communist co-operation in Europe, at any rate in countries where Communism is strong, especially in France ("There can be no victory for the French 'Left' without the Communists"), and denounces strongly the Transport House policy of disruption:

"The only alternative line for British Labour is to work deliberately for a non-socialist solution of West European affairs, by encouraging European Socialists to ally themselves with the (mainly Catholic) 'Popular' Parties against the Communists. There are, I know, some Socialists so dementedly hostile to Communism as to prefer this solution, which would, of course, also be highly pleasing to the American State Department, since it would help to make Western Europe safe for capitalist enterprise as well as a bulwark against Communism. To me, at any rate, that seems a quite disastrous outcome. I am convinced that in the not very long run it would utterly wreck the European Socialist Parties and drive the major part of the West European workers over to Communism even against their wills; and I am no less convinced that, perhaps in a rather longer run, it would break the British Labour Party at least as seriously as Ramsay MacDonald broke it in 1931, and more irrevocably."

In face of the present situation in France, with the Socialist-M.R.P.-Gaullist combination behind Schuman against Communism, the importance of this warning is even greater than when it was written.

The Intelligent Man can gather much of value from Cole's book, provided he keeps his critical wits about him.

R. P. D.

BOUND VOLUMES

Attention of readers is called to the extension of the date for sending in loose copies for binding. See page 3 of cover.

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Schaffer on the Soviet Zone

Russian Zone by Gordon Schaffer (Allen & Unwin, 10/6, 192 pp.).

RUSSIAN ZONE is an objective study of the Russian area of controlled Germany based upon innumerable and minutely recorded contacts with named persons of all ages, and both sexes in named places. Mr. Gordon Schaffer's story is thus verifiable: it is the work of a hard-travelling, painstaking journalist who knows what questions to ask, what persons to see and has power to build up what he discovers into a convincing and illuminating picture of a movement of the utmost significance in a crucial area of Europe.

Mr. Schaffer suffered as little inconvenience from any iron curtain in his ten weeks' stay in the Soviet Zone of Germany as I did in my eight weeks' travel through the Eastern European Democracies at the same time during this autumn. There was no iron curtain in either case; quite the reverse, an eagerness everywhere to show and talk and answer questions and an unhindered opportunity for those who disliked the new order to air their grumbles. Officials and non-officials, responsible people in all activities, as well as the common man and common woman, were free to talk and eager to inform.

Are the people free or is Communism being forced upon them by Russian military might, was the first question Schaffer put to himself and answered it with an emphatic negative. Conscience is free, religion is free, criticism is unquelled, and the pronounced leftward drift comes not from Russian compulsion but from the ceaseless activity of the Anti-Fascist German citizens who have been given not only opportunity but encouragement to combine and act. Democratic institutions have been encouraged and Nazism ruthlessly weeded out. The Democracy of the Russian Zone is real, but it differs from the "purist democracy" which would permit a Schumacher, should he come to the Russian Zone, to say to a public audience that the Communism of today is the Nazism of tomorrow.

The outstanding feature of the Russian Zone is that it has a Plan, a plan successful in its main results and which would be vastly more successful save for an economy which is disastrously short of fuel coal. The Eastern Zone separated from the Western Zone cannot be self-supporting. The land reform has been thorough and is well dug in. Industry shows a complete switch over from the days when Trusts and Combines dominated 60% of German capital. Neither are permitted, neither exist. Trade Unions, Shop Stewards and Co-operatives are encouraged; the last register 4 million members against 3 million in all three Western Zones. Many "circles" exist and are encouraged. Thus side by side with co-ops, trade unions and political organisations there are "Self-help associations," "People's Solidarity Groups," "Free German Youth," and the "Democratic Women's League."

The Russians do not act as conquerors, Mr. Schaffer is emphatic about that. There is less interference from Russia than might be expected, though constant pressure is exerted to uproot Nazism and secure efficiency of administration.

Mr. Schaffer's book is a systematic, readable and thoroughly independent work and depicts a movement which must leave its mark upon the Central European economy of the future. I arise from the perusal of this book with the same optimistic feelings that I experienced in my own travels and studies from Poland to the Balkans.

HEWLETT JOHNSON.

An Outstanding Book on Wages

Wages Front by Margot Heinemann (Lawrence & Wishart, 256 pp. Cheap Edition 6*s*. Library Edition 21*s*.)

THIS book appears at an opportune moment. In capitalist society there is bound to be a perpetual controversy over wages, reflecting the class struggle. What distinguishes current arguments from most arguments of the past is that some sections

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of the Labour Movement are being taken in by the specious reasoning of the capitalists. To them, wages are simply what they must pay for one of the "factors of production." In the constant endeavour to keep this cost down, they enlist the services of the great majority of academic economists and the organs of publicity. The workers' resistance to suggestions—with the Labour Government participating—that it is in the national interest that real wages must come down is, first, their sound instinct and common sense. But rather more is required in present circumstances, particularly because the background is undergoing a fundamental change.

The great value of a book like this is that it supplies both the answer to the lower-wage advocates and a clear guide to that changing background. The first task is accomplished in the opening chapters on "Wages and Labour Strategy" and "Wages, Prices and Profits." No one can afford to miss this masterly analysis and exposure of the claims of the would-be wage cutters. The author concludes that "profits *now* give a great deal of room for wage increases, and that these increases are an essential part of the drive to increase production."

The book deals with such important aspects as wages and exports, the cost of living, mechanisation and technical changes, payments by results, women's wages, Government responsibility for wages and wages under nationalisation and socialism. All its chapters are full of well-marshalled facts, close analysis and thought-provoking suggestions. Some are, no doubt, controversial. I am not arguing minor points in this short review.

What I do want to stress, however, is the really outstanding contribution made by Miss Heinemann to clarity of thought on what I may call the "new view of wages." More and more trade unionists are recognising that the old wage relationship between one kind or grade of worker and another has gone for ever. Overt acts have killed formerly accepted standards in relation to the coalminers. Other similar adjustments are now going on. In a period of rising prices there is no possibility of "freezing" or pegging wages, as the Government is asking. Some increases there will have to be. The question is: "Where and on what principles should a responsible Trade Union movement frame its approach to wages?" I submit that this book can do a great deal to assist the movement in finding the right answer.

J. R. SCOTT.*

U.S.S.R. — A Biased View

"The Foreign Policy of Soviet Russia," Vol. 1, 1929-1936, by Max Beloff (Oxford University Press), 15*s*, 261 pp.

THIS book is published under the auspices of the Royal Institute of International Affairs and bears all the characteristic imprints of these publications. It is well written and profusely documented, it is full of profound scholarship and seeks to be dispassionate but actually, consciously or unconsciously, it has (like every other Chatham House volume I have seen) a definite anti-Soviet bias.

The book deals with the years 1929-1936, i.e., a very turbulent period in world affairs, when the U.S.S.R. still facing hostility on all sides was nevertheless beginning to take an ever more important place in international affairs. The author quite rightly sees that the central motive underlying all Soviet foreign policy was to safeguard her own security, but he seems to assume as almost axiomatic that another and equally important motive was (particularly in the earlier years) the fomenting of Communist revolutions in other countries.

Mr. Beloff is, of course, very anti-Communist, it goes almost without saying that throughout he identifies the activities of the Soviet Government with those of the Communist International whilst in a chapter on the rise of the Nazis he puts practically the whole blame for this on

**Many of our readers will know that Mr. J. R. Scott is an Executive Council member of the Amalgamated Engineering Union.*

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the German Communists and the Communist International (i.e., in effect, according to the author, the Soviet Government) which directed their activities. In a short review we can only indicate a few of the glaring instances of misunderstandings or misrepresentations of the Soviet position.

Dealing with the stand taken by Litvinov for disarmament at the Disarmament Conference the author actually sees a contradiction between this policy and the "unrepudiated Soviet doctrine of the necessary armament of the Proletarian Dictatorship—the Soviet State itself"! What disarming innocence.

Again dealing with the London Conference of wheat exporting countries, May 18-23, 1931, the U.S.S.R. is made largely responsible for its breakdown because of her refusal to consider the restriction of production; at the same time no mention is made that at this Conference the Soviet Delegates were in favour of regulating wheat exports by the fixing of definite quotas. In a later page the author gives it as a mark of greater conciliation on the part of the Soviets that at the World Economic Conference (1933) they had agreed "to consider in common with other affected States a future limitation of their wheat exports." And by the way, the World Economic Conference opened *June* 12, not July 12, as given in this book.

Dealing with Sino-Soviet relations, the author seems to think it quite unnecessary to mention that the Soviet Government had voluntarily renounced all the extra-territorial and other rights which Tsarist Russia, like all the other Imperialist Powers, had wrung from China.

Finally—one more example of shall we say lack of understanding? Referring to the shift eastward of Soviet industry and the opening of the Turk-Sib in 1930, the author says: "As in the exploitation of the peasant to pay for industrial advance, this trend was in line with pre-Revolutionary development." Is it really possible that Mr. Beloff knows nothing of the remarkable economic and cultural progress of the Soviet peasants in general and of the Central Asian peoples, in particular, since the coming of the Soviets? Every student of Soviet policy surely knows that Tsarist policy towards the national minorities bears even less resemblance to Soviet policy than chalk does to cheese.

The second half of the book is rather better than the first half. Many interesting facts are brought out, and a perusal of the book can serve a very useful purpose providing one bears in mind the general attitude of the author and takes the precaution of comparing many of the statements made with other works on this subject.

ZELDA K. COATES.

A Timely Pamphlet

United Germany or Divided Europe, by J. Winternitz (British Council for Germany Democracy, 6*d*, 20 pp.).

TWENTY closely printed pages that provide a useful background to the issues discussed by the London session of the Foreign Ministers' Council. That the problem of Germany is a problem of two policies is amply borne out by the data contained in this pamphlet. As against the current Press caricature of Mr. Molotov saying "no" to practical Anglo-American proposals, it is impossible not to see from the facts in this pamphlet that the Soviet fight for a united democratic Germany is a crucial issue for the progressive forces in Europe and in this country.

C. P. D.

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January Publication

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G. V. Plekhanov

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